

BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION**No.16 C-1, Miller Tank Bed Area, Vasanthanagara,
Bengaluru-560052****Dated 19th March, 2020****Present:**

Sri. Shambhu Dayal Meena - Chairman
Sri. H.M. Manjunatha - Member
Sri. M.D. Ravi - Member

**In the Matter of Truing up of Average Pooled Power Purchase Cost [APPC] for the
Financial Year 2019-20 and notifying provisional APPC for the Year 2020-21-reg.**

Preamble:

1. The KERC vide notification dated 05.03.2019, had notified the average pooled cost of power purchase (APPC) under Clause 7(c) of the KERC (Procurement of Energy from Renewable Sources) Regulations, 2011, at Rs. 3.85/unit for the financial year 2019-20, subject to truing up as per the actuals. The ESCOMs have finalized their Accounts for the financial year 2018-19 and based on the same, the average pooled power purchase cost for the year 2019-20 works out to Rs. 4.04/unit.
2. Meanwhile, the Commission has notified the seventh amendment to its RE Regulations, which has come into effect from 6th December, 2019. As per the above amendments, a generating company opting for REC mechanism, has to sell the electricity generated to ESCOMs at the pooled cost of power purchase of the State or at 75% of the Generic tariff determined for the respective RE source by the Commission for the relevant year, whichever is lower. Thus, during FY20, the ESCOMs for the energy supplied from December, 2019 onwards, have to pay for the electricity purchased from RE generators opting for REC mechanism, at lower of the pooled cost of power purchase of the State or at 75% of the Generic tariff determined for the respective RE source by the Commission for the relevant year. Accordingly, for FY20, the difference, of APPC of 19 paise per unit, has to be paid by ESCOMs to the Generators selling to them under REC mechanism for the energy supplied from 1st April, 2019 to 30th November, 2019.
3. The Commission now has to notify the APPC for the year 2020-21 also. As it would take some time for the ESCOMs to finalize the power purchase quantum and cost for the financial year 2019-20, as an interim measure, it is proposed to adopt Rs. 4.04 per unit as the APPC for the 2020-21. However, for FY21, the ESCOMs shall bill the RE generators selling to them under REC mechanism at lower of Rs.4.04/unit or 75% of the Generic tariff determined for FY21, for the respective RE source, by the Commission.


Hence, the following order:

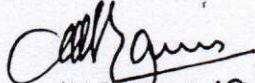


ORDER

- i. In exercise of the powers conferred under Clause 7 (c) of the KERC (Procurement of Energy from Renewable Sources) Regulations, 2011, for the purpose of Renewable Energy Certificate (REC), the Karnataka Electricity Regulatory Commission, hereby, notifies the APPC at Rs. 4.04/unit for the financial year 2020-21 with effect from 01.04.2020, which is subject to truing up, as per the actuals.
- ii. In accordance with the KERC(Procurement of Energy from Renewable Sources)(Seventh Amendment) Regulations,2019, for FY21, the ESCOMs shall bill the RE generators selling to them under REC mechanism at lower of Rs.4.04/unit or 75% of the Generic tariff determined for FY21, for the respective RE source by the Commission, which is subject to truing up of APPC for FY21.
- iii. Having regard to the fact that the actual APPC is at Rs. 4.04 per unit as against the provisional APPC of Rs. 3.85 per unit for the financial year 2019-20 and consequent to notification of KERC(Procurement of Energy from Renewable Sources)(Seventh Amendment) Regulations,2019, the variation in the APPC of 19 paise/unit [Nineteen paise per unit], shall be paid by ESCOM/s to the RE generators concerned, in three equal monthly installments, to the extent of energy supplied under APPC, during the period from 1st April, 2019 to 30th November, 2019. For the energy supplied from 1st December,2019 to 31st March,2020, the ESCOMs shall pay/ receive, as the case maybe, the difference of Rs.3.85/unit and lower of the APPC for FY20 or 75% of the Generic tariff determined for FY20, for the respective RE source by the Commission.


(SHAMBHU DAYAL MEENA)
CHAIRMAN
19/3/2020


(H.M. MANJUNATHA)
MEMBER 19/3/2020


(M.D. RAVI) 19/3/2020
MEMBER